GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1169
ANSWERED ON:23.11.2007
CORRUPTION IN BANKS
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Will the Minister of FINANCE be pleased to state:

(a) the details of cases of corruption detected by CVCs, bank-wise;

(b) the field to which theise relate; and

(c) the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAVVAN KUMAR BANSAL)

(a)&(b): Central Vigilance Commission has informed that the Commission does not have an investigation wing of its own. It tenders advice on the basis of investigation reports received from the CVOs of Public Sector Banks. As and when it is observed that the irregularities or inappropriate action on the part of bank officials has taken place due to systemic failures, the Commission issues appropriate guidelines to plug such loopholes. During the years 2005, 2006 and 2007 (upto October), the Commission advised initiation of major penalty proceedings against 189, 227 and 216 officers respectively of Public Sector Banks and other financial institutions. During the same period, the Commission recommended initiation of minor penalty proceedings against 76, 108 and 122 Officers respectively. Majority of the vigilance cases reported by the banks relate to loans and advances.

(c): Each bank has a Vigilance Department headed by a Chief Vigilance Officer taken on deputation from outside the bank. Action is taken against the involved officials as per the laid down Conduct and Discipline rules.